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REMARKS

This response is intended as a full and complete response to the non-final Office Action mailed September 25, 2006. In the Office Action, the Examiner notes that claims 1-19 are pending and rejected. By this response, all claims continue unamended.

In view of the following discussion, Applicants submit that none of the claims now pending are in allowable form.

It is to be understood that Applicants do not acquiesce to the Examiner's characterizations of the art of record or to Applicants' subject matter recited in the pending claims. Further, Applicants are not acquiescing to the Examiner's statements as to the applicability of the art of record to the pending claims by filing the instant response.

Rejection Under 35 U.S.C. §103

Claim 1 is rejected under 35 U.S.C. §103(a) as being unpatentable over Hendricks et al. (5,600,573, hereinafter "Hendricks") in view of Clanton, III et al. (5,524,195, hereinafter "Clanton"). The rejection is traversed.

Claim 1 recites:

"In an interactive information distribution system containing service provider equipment and subscriber equipment that is interconnected by a communications network, a method of providing a subscription-on-demand service, comprising:

providing a set of more than two on-demand programs;
packaging the set into a subset having at least two on-demand programs of the set of on-demand programs; and
providing a user interface having the subset as a selectable object, the user interface configured to allow selection of the selectable object representing the subset of the at least two on-demand programs to be purchased as a package for on-demand access."

According to MPEP §2143, to establish a prima facie case of obviousness under §103, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference

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teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, not in applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

The Office Action failed to establish a *prima facie* case of obviousness, because the combination of Hendricks and Clanton fails to teach or suggest all the claim elements.

Hendricks discloses an operations center with video storage for a television program packaging and delivery system. Referring to columns 7-8, television programs are received from multiple program sources in analog or digital format, analog television programs are converted into a compatible digital format. The received television programs are packaged and transmitted to cable headends for subsequent distribution to subscribers. As noted in column 7, lines 26-38:

"... the operations center 202 packages the programs into the groups and categories which provide the optimal marketing of the programs to remote sites, cable headends, and subscribers. For example, the operations center 202 may package the same programs into different categories and menus for weekday, prime-time viewing and Saturday afternoon viewing. Also, the operations center 202 packages the television programs in a manner that enables both the various menus to easily represent the programs, and the subscribers to easily access the programs through the menus. These packets of programs, menus and control information are then transmitted to cable headends or remote sites 208."

The Examiner contends that Hendricks discloses a VOD and other program packaging processes such as provided by the claimed invention. Applicants respectfully disagree.

First, as noted in column 7, lines 6-8, the Hendricks "packaging" performed by the operations center 202 which provides two primary services; namely, "packaging television programs for transmission and generating the program control information signal." That is, the "packaging" function performed within Hendricks is merely the logical and physical manipulation of received television programming to create a "package" of programming that is adapted for transmission via a particular transmission network (illustratively a terrestrial link).

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By contrast, the "packaging" function performed within the context of the claimed invention is one of associating a subset of on-demand programming for subsequent purchase as an associated subset or "package" of on-demand programming.

The concepts of "packaging" within Hendricks and the claimed invention are entirely different. The Hendricks packaging concept addresses pre-transmission processing of information streams so that a bundle or "package" of information streams may be carried via a particular network. In stark contrast, the claimed packaging concept addresses a purely logical association of a subset of on-demand content. These are entirely different concepts and should not be merged together. The mere use of the term "package" within Hendricks does not mean that the claimed "packaging" of the invention is taught.

Second, television programs in Hendricks are "packaged" and transmitted as they are received (i.e., from broadcast sources) for retransmission to headends. Thus, the "packages" of Hendricks are not related to on-demand programs.

By contrast, the "package" of the claimed invention comprises an association of a subset of on-demand programming, not broadcast television programming.

It is noted that an embodiment of Hendricks provides internal storage of television programs at the operations center (column 7, lines 21-25). However this has nothing to do with the step of "packaging" described within Hendricks, since such "packaging" is simply a pre-transmission processing adapted to use a particular network. The "packages" of Hendricks are not able to be stored as such, since the packages are physical layer arrangements of multiple television programs from multiple television program sources including broadcast television programs. It is also noted that since internal storage of television programs is optional, the packaging process must normally operate upon broadcast or "real time" television sources.

Third, there is no user selection of a particular "package" of programming within Hendricks, much less a subset of on-demand programs as claimed. Within Hendricks, the user receives all of the television programming that is provided by the operations center in a single "package." This is perfectly understandable given the fact that a Hendricks "package" is simply the available television programming combined or adapted for transmission via a network (i.e., there is no opportunity for a user to select

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different packages within Hendricks, since one package provides all television programming). While some of the television programming provided via the Hendricks "package" may change depending upon the day of the week and other broad marketing considerations, such changes are not controlled by the user.

Applicants agree with the Examiner that Hendricks "fails to explicitly teach where the VOD programs are packaged into programming package or into a subset." Applicants also note, as discussed above, that the concept of packaging is entirely different within Hendricks and that the steps of the claimed invention simply cannot be reasonably construed as being met by Hendricks.

The Examiner contends that the gaps between the Hendricks reference and the claimed invention are somehow satisfied by the teachings of Clanton. Applicants strongly disagree. Clanton is adapted to a graphical user interface for interactive television with an animated agent. That is, a standard mechanism for selecting and delivering television programs is enhanced according to the Clanton arrangement by using an animated agent and other visual imagery. The Clanton arrangement is adapted to enhancing the user interface experience. The Clanton arrangement does not address the underlying functionality of the claimed invention.

In particular, Figure 5 and the related text of Clanton show available video selections by category, user preference and the like. There is absolutely no teaching or suggestion that a category or other grouping of video selections may be purchased as a "package." It is well known to divide movies according to genre, category and so on. The claimed invention is not merely the selection or purchase of a movie from a particular category or genre. Clanton depicts, in relevant part, a standard mechanism for selecting movies in which an icon may be used to present for individual selection and purchase any of the movies within a particular category. This has nothing to do with the claimed invention. Clanton does not teach, inter alia, either of the steps of "packaging" of the claimed invention and the user interface allowing the selection for purchase of such a package.

By contrast, the claimed invention is directed to associating a subset of on-demand programs into a package, which package may be purchased as a package,

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which purchase is made via a user interface identifying the particular subset or package via a particular selectable object.

Thus, the cited references either alone or in combination fail to disclose each of the claim elements. Moreover, the relevant portions of the Hendricks and Clanton arrangements cannot be operably combined since they are unrelated. Specifically, the "packaging" of Hendricks is related to delivering television programs to a head end, while the movie selection of Clanton is related to retrieving individual on-demand movies.

Further, even if the Hendricks and Clanton arrangements could somehow be operably combined, the resulting combination would merely teach that (per Clanton) individual movies may be selected by a user and that (per Hendricks) these movies might have been conveyed to a head end via a package adapted to traverse a communications network between the head end and a operations center. This is simply not the claimed invention.

Therefore, claim 1 is patentable over the combination of Hendricks and Clanton under §103. As such, Applicants respectfully request that the rejection be withdrawn. Moreover, since all the remaining claims depend either directly or indirectly from claim 1 and recite additional limitations therefrom, these remaining claims are also patentable for at least the reasons discussed above with respect to claim 1.

Claims 2-19

Claims 2-19 are rejected under 35 U.S.C. §103(a) as being unpatentable over Hendricks in view of Clanton as applied to claim 1 above, and further in view of DirecTV Offers MSNBC in Programming Lineup (Los Angeles, July 15, 1996), hereinafter "DirecTV." The rejection is traversed.

Claims 2-19 depend, directly or indirectly, from claim 1 and, thus, inherit the patentable subject matter of claim 1, while adding or further defining elements. Therefore, claims 2-19 are also patentable over the combination of Hendricks and Clanton under §103. Since the rejection under 35 U.S.C. 103 given Hendricks and Clanton has been overcome, as described hereinabove, and there is no argument put forth by the Office Action that DirecTV supplies that which is missing from Hendricks

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and Clanton to render the independent claims obvious, this ground of rejection cannot be maintained.

Further to claim 2, for example, the cited references fail to disclose or suggest the claimed programming package subscription. With respect to the DirectTV reference, applicants notes that the various subscriptions are for more or fewer broadcast channels. These subscriptions have nothing to do with on-demand content, much less subsets of on-demand content.

Further to claim 3, for example, the cited references fail to disclose or suggest the claimed access period for a package subscription.

Further to the remaining claims, for example, the cited references fail to disclose or suggest the various claim limitations pertaining to pricing, hierarchy, fee structures, subscription on-demand and the like are simply not provided for or addressed.

Therefore, claims 2-19 are patentable over the combination of Hendricks, Clanton and DirecTV under §103. As such, Applicants respectfully request that the rejection be withdrawn.

SECONDARY REFERENCES

The secondary references made of record are noted. However, it is believed that the secondary references are no more pertinent to Applicants' disclosure than the primary references cited in the Office Action. Therefore, Applicants believe that a detailed discussion of the secondary references is not necessary for a full and complete response to this Office Action.

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CONCLUSION

In view of the foregoing, Applicants believe that this application is in condition for allowance. Entry of this amendment, reconsideration of this application, and allowance are respectfully solicited.

If, however, the Examiner believes that there are any unresolved issues requiring adverse final action in any of the claims now pending in the application, it is requested that the Examiner telephone Eamon J. Wall, Esq. at (732) 530-9404 so that appropriate arrangements can be made for resolving such issues as expeditiously as possible.

Respectfully submitted,

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